

AMENDED IN ASSEMBLY APRIL 22, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1088

Introduced by Assembly Member O'Donnell

February 27, 2015

An act to amend ~~Section~~ *Sections 17070.40, 17072.30, 17072.35, 17074.16, 17074.25, and 17074.26 of, to add Sections 17071.15, 17072.40, and 17073.16 to, to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, to add and repeal Section 17070.44 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to school facilities: education facilities, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1088, as amended, O'Donnell. ~~School~~ *Education* facilities: bond act: Greene Act.

~~(1) The California Constitution prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (A) authorizes the debt for a single object or work specified in the act, (B) has been passed by a $\frac{2}{3}$ vote of all the Members elected to each house of the Legislature, (C) has been submitted to the people at a statewide general or primary election, and (D) has received a majority of all the votes cast for and against it at that election.~~

~~This bill would state the intent of the Legislature to enact legislation that would create the Kindergarten-University Public Education Facilities Bond Act of a year to be determined, a state general obligation~~

~~bond act that would provide funds to construct and modernize education facilities, to become operative only if approved by the voters at a statewide general election to be determined, and to provide for the submission of the bond act to the voters at that election.~~

~~(2)~~

~~(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction and modernization of school facilities and requires a school district's ongoing eligibility for new construction to be based, in part, on a calculation of existing school building capacity. facilities, including hardship funding, and supplemental funding for site development and acquisition.~~

The act requires, for purposes of determining existing school building capacity, the calculation to be adjusted as required for first priority status, as provided, relating to multitrack year-round schools, and requires, notwithstanding those provisions, the existing school building capacity for a high school district to be calculated without regard to multitrack year-round school considerations.

This bill would repeal that provision.

~~(3) Existing law requires the State Allocation Board and the State Department of Education to conduct specified evaluations related to the construction of small high schools and requires those evaluations to be used to inform the direction of future school facilities construction and related bond measures.~~

~~This bill would repeal that provision.~~

~~(4) This bill also would delete obsolete provisions and would correct a cross-reference.~~

This bill would require the State Allocation Board to convene a workgroup comprised of representatives of specified entities to recommend changes to the act that will shorten and streamline the process for construction and modernization of school facilities. The bill would require the board to submit a report containing those recommendations to the Legislature by September 1, 2016.

The bill would authorize the board to require each school district that elects to participate in a new construction program to reestablish eligibility, as specified, and to conduct an inventory of existing facilities for purposes of maintaining a statewide school facilities inventory.

The bill would delete a provision requiring the board to conduct an evaluation of the cost of new construction and modernization of small high schools in conjunction with a specified pilot program.

The bill would state the intent of the Legislature to, commencing with the proceeds from any bond approved by voters after January 1, 2016, adjust the local match requirements for a new construction grant based on a school district's ability to raise local revenue.

The bill would, commencing with the proceeds from any bond approved by voters after January 1, 2016, authorize a grant for new construction to be used for additional specified purposes.

The bill would require the Office of Public School Construction to recommend regulations to the State Allocation Board to provide school districts with flexibility in designing instructional facilities.

The bill would authorize the board to require each school district that elects to participate in a modernization program to reestablish eligibility, as specified.

The bill would state the intent of the Legislature to, commencing with the proceeds from any bond approved by voters after January 1, 2016, adjust the local match requirements for a modernization grant based on a school district's ability to raise local revenue.

The bill would, commencing with the proceeds from any bond approved by voters after January 1, 2016, authorize a modernization apportionment to be used for additional specified purposes.

The bill would require the Office of Public Construction to provide the board recommendations on the value of allowing school districts to replace existing facilities on existing schoolsites under certain conditions.

(2) The California Constitution prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (A) authorizes the debt for a single object or work specified in the act, (B) has been passed by a $\frac{2}{3}$ vote of all the Members elected to each house of the Legislature, (C) has been submitted to the people at a statewide general or primary election, and (D) has received a majority of all the votes cast for and against it at that election.

This bill would enact the Kindergarten-University Public Education Facilities Bond Act of ____ to authorize an unspecified amount of state general obligation bonds to provide aid to school districts, county superintendents of schools, county boards of education, charter schools, the California Community Colleges, the University of California, the

Hastings College of the Law, and the California State University to construct and modernize education facilities. The proceeds of these bonds would be deposited in the continuously appropriated ____ State School Facilities Fund, which this bill would establish.

The proposed bond act would become operative only if approved by the voters at an unspecified statewide general election, and the bill would provide for its submission to the voters at that election.

(3) This bill would specify that certain of its provisions would become operative only if the Kindergarten-University Public Education Facilities Bond Act of ____ is approved by the voters at an unspecified statewide general election.

(4) The bill would make conforming and nonsubstantive changes in related provisions of existing law.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.—It is the intent of the Legislature to enact~~
2 ~~legislation that would create the Kindergarten-University Public~~
3 ~~Education Facilities Bond Act of ____, to become operative only~~
4 ~~if approved by the voters at the ____ statewide general election,~~
5 ~~and to provide for the submission of the bond act to the voters at~~
6 ~~that election. It is also the intent of the Legislature that the bond~~
7 ~~act, if approved by the voters at that election, would provide for~~
8 ~~the issuance of ____ (\$ ____) of state general obligation bonds to~~
9 ~~provide aid to school districts, county superintendents of schools,~~
10 ~~county boards of education, the California Community Colleges,~~
11 ~~the California State University, and the University of California,~~
12 ~~including the Hastings College of the Law, to construct and~~
13 ~~modernize education facilities.~~

14 ~~SECTION 1. Section 17070.40 of the Education Code is~~
15 ~~amended to read:~~

16 17070.40. (a) (1) A fund is hereby established in the State
17 Treasury to be known as the 1998 State School Facilities Fund.
18 All money in the fund, including any money deposited in that fund
19 from any source whatsoever, and notwithstanding Section 13340
20 of the Government Code, is hereby continuously appropriated
21 without regard to fiscal years for expenditure pursuant to this
22 chapter.

1 (2) The board may apportion funds to school districts for the
2 purposes of this chapter from funds transferred to the 1998 State
3 School Facilities Fund from any source.

4 (3) The board may make apportionments in amounts not
5 exceeding those funds on deposit in the 1998 State School Facilities
6 Fund, and any amount of bonds authorized by the committee, but
7 not yet sold by the Treasurer.

8 (4) The board may make disbursements pursuant to any
9 apportionment made from any funds in the 1998 State School
10 Facilities Fund, irrespective of whether there exists at the time of
11 the disbursement an amount in the 1998 State School Facilities
12 Fund sufficient to permit payment in full of all apportionments
13 previously made. However, no disbursement shall be made from
14 any funds required by law to be transferred to the General Fund.

15 (b) (1) A fund is hereby established in the State Treasury to be
16 known as the 2002 State School Facilities Fund. All money in the
17 fund, including any money deposited in that fund from any source
18 whatsoever, and notwithstanding Section 13340 of the Government
19 Code, is hereby continuously appropriated without regard to fiscal
20 years for expenditure pursuant to this chapter.

21 (2) The board may apportion funds to school districts for the
22 purposes of this chapter from funds transferred to the 2002 State
23 School Facilities Fund from any source.

24 (3) The board may make apportionments in amounts not
25 exceeding those funds on deposit in the 2002 State School Facilities
26 Fund, and any amount of bonds authorized by the committee, but
27 not yet sold by the Treasurer.

28 (4) The board may make disbursements pursuant to any
29 apportionment made from any funds in the 2002 State School
30 Facilities Fund, irrespective of whether there exists at the time of
31 the disbursement an amount in the 2002 State School Facilities
32 Fund sufficient to permit payment in full of all apportionments
33 previously made. However, no disbursement shall be made from
34 any funds required by law to be transferred to the General Fund.

35 (c) (1) A fund is hereby established in the State Treasury to be
36 known as the 2004 State School Facilities Fund. All money in the
37 fund, including any money deposited in that fund from any source
38 whatsoever, and notwithstanding Section 13340 of the Government
39 Code, is hereby continuously appropriated without regard to fiscal
40 years for expenditure pursuant to this chapter.

1 (2) The board may apportion funds to school districts for the
2 purposes of this chapter from funds transferred to the 2004 State
3 School Facilities Fund from any source.

4 (3) The board may make apportionments in amounts not
5 exceeding those funds on deposit in the 2004 State School Facilities
6 Fund, and any amount of bonds authorized by the committee, but
7 not yet sold by the Treasurer.

8 (4) The board may make disbursements pursuant to any
9 apportionment made from any funds in the 2004 State School
10 Facilities Fund, irrespective of whether there exists at the time of
11 the disbursement an amount in the 2004 State School Facilities
12 Fund sufficient to permit payment in full of all apportionments
13 previously made. However, no disbursement shall be made from
14 any funds required by law to be transferred to the General Fund.

15 (d) (1) A fund is hereby established in the State Treasury, to
16 be known as the 2006 State School Facilities Fund. All money in
17 the fund, including any money deposited in that fund from any
18 source whatsoever, and notwithstanding Section 13340 of the
19 Government Code, is hereby continuously appropriated without
20 regard to fiscal years for expenditure pursuant to this chapter.

21 (2) The board may apportion funds to school districts for the
22 purposes of this chapter from funds transferred to the 2006 State
23 School Facilities Fund from any source.

24 (3) The board may make apportionments in amounts not
25 exceeding those funds on deposit in the 2006 State School Facilities
26 Fund, and any amount of bonds authorized by the committee, but
27 not yet sold by the Treasurer.

28 (4) The board may make disbursements pursuant to any
29 apportionment made from any funds in the 2006 State School
30 Facilities Fund, irrespective of whether there exists at the time of
31 the disbursement an amount in the 2006 State School Facilities
32 Fund sufficient to permit payment in full of all apportionments
33 previously made. However, no disbursement shall be made from
34 any funds required by law to be transferred to the General Fund.

35 (e) (1) *A fund is hereby established in the State Treasury, to be*
36 *known as the ____ State School Facilities Fund. All money in the*
37 *fund, including any money deposited in that fund from any source*
38 *whatsoever, and notwithstanding Section 13340 of the Government*
39 *Code, is hereby continuously appropriated without regard to fiscal*
40 *years for expenditure pursuant to this chapter.*

1 (2) *The board may apportion funds to school districts for the*
2 *purposes of this chapter from funds transferred to the ____ State*
3 *School Facilities Fund from any source.*

4 (3) *The board may make apportionments in amounts not*
5 *exceeding those funds on deposit in the ____ State School Facilities*
6 *Fund, and any amount of bonds authorized by the committee, but*
7 *not yet sold by the Treasurer.*

8 (4) *The board may make disbursements pursuant to any*
9 *apportionment made from any funds in the ____ State School*
10 *Facilities Fund, irrespective of whether there exists at the time of*
11 *the disbursement an amount in the ____ State School Facilities*
12 *Fund sufficient to permit payment in full of all apportionments*
13 *previously made. However, no disbursement shall be made from*
14 *any funds required by law to be transferred to the General Fund.*

15 *SEC. 2. Section 17070.44 is added to the Education Code, to*
16 *read:*

17 17070.44. (a) *The board shall convene a workgroup comprised*
18 *of representatives of the Office of Public School Construction, the*
19 *Department of Finance, the Division of State Architect, the*
20 *department, other state agencies, and interested stakeholders to*
21 *recommend changes to this chapter that will shorten and streamline*
22 *the process for the construction and modernization of school*
23 *facilities. The board shall submit a report containing those*
24 *recommendations to the Legislature by September 1, 2016.*

25 (b) (1) *The report required to be submitted to the Legislature*
26 *pursuant to subdivision (a) shall be submitted in compliance with*
27 *Section 9795 of the Government Code.*

28 (2) *This section shall remain in effect only until January 1, 2021,*
29 *and as of that date is repealed, unless a later enacted statute, that*
30 *is enacted before January 1, 2021, deletes or extends that date.*

31 ~~SEC. 2.~~

32 *SEC. 3. Section 17070.99 of the Education Code is repealed.*

33 *SEC. 4. Section 17071.15 is added to the Education Code, to*
34 *read:*

35 17071.15. *Notwithstanding Section 17071.10, the board may*
36 *require each school district that elects to participate in the new*
37 *construction program funded by the proceeds of any bond approved*
38 *by voters after January 1, 2016, to do both of the following:*

39 (a) *Reestablish eligibility pursuant to regulations adopted by*
40 *the board.*

1 **(b) Submit information describing existing facilities in the school**
2 **district for the purpose of establishing a statewide inventory,**
3 **pursuant to regulations adopted by the board.**

4 ~~SEC. 3.~~

5 SEC. 5. Section 17071.33 of the Education Code is repealed.

6 ~~SEC. 4.~~

7 SEC. 6. Section 17071.35 of the Education Code is repealed.

8 ~~SEC. 5.~~

9 SEC. 7. Section 17071.40 of the Education Code is repealed.

10 SEC. 8. *Section 17072.30 of the Education Code is amended*
11 *to read:*

12 17072.30. (a) Subject to the availability of funds, and to the
13 determination of priority pursuant to Section 17072.25, if
14 applicable, the board shall apportion funds to an eligible school
15 district only upon the approval of the project by the Department
16 of General Services pursuant to the Field Act, as defined in Section
17 17281, and certification by the school district that the required 50
18 percent matching funds from local sources have been expended
19 by the district for the project, or have been deposited in the county
20 fund, or will be expended by the district by the time the project is
21 completed, in an amount at least equal to the proposed
22 apportionment pursuant to this chapter, prior to release of the state
23 funds.

24 ~~(b) This section is operative January 1, 2008.~~

25 **(b) It is the intent of the Legislature to adjust the local match**
26 **requirements for a new construction grant based on a school**
27 **district's ability to raise local revenue, commencing with the**
28 **proceeds from any bond approved by voters after January 1, 2016.**

29 SEC. 9. *Section 17072.35 of the Education Code is amended*
30 *to read:*

31 17072.35. (a) A grant for new construction may be used for
32 any and all costs necessary to adequately house new pupils in any
33 approved project, and those costs may ~~only~~ include ~~the only the~~
34 *following:*

35 **(1) The cost of design, engineering, testing, inspection, plan**
36 **checking, construction management, site acquisition and**
37 **development, evaluation and response action costs relating to**
38 **hazardous substances at a new or existing schoolsite, demolition,**
39 **construction, acquisition and installation of portable classrooms,**
40 **landscaping, necessary utility costs, utility connections and other**

1 fees, equipment including telecommunication equipment to
2 increase school security, furnishings, and the upgrading of electrical
3 systems or the wiring or cabling of classrooms in order to
4 accommodate educational technology. ~~A grant for new construction~~
5 ~~may also be used to acquire~~

6 (2) *The costs of acquiring an existing government or privately*
7 *owned building, or a privately financed school building, and for*
8 *the necessary costs of converting the government or privately*
9 *owned building for public school use.* ~~A grant for new construction~~
10 ~~may also be used for the~~

11 (3) *The costs of designs and materials that promote the efficient*
12 *use of energy and water, the maximum use of natural lighting and*
13 *indoor air quality, the use of recycled materials and materials that*
14 *emit a minimum of toxic substances, the use of acoustics conducive*
15 *to teaching and learning, and other characteristics of high*
16 *performance schools.*

17 (b) *Commencing with proceeds from any bond approved by*
18 *voters after January 1, 2016, in addition to the purposes identified*
19 *in subdivision (a), a grant for new construction may be used for*
20 *the construction of any of the following:*

21 (1) *Career technical education facilities.*

22 (2) *Joint use facilities.*

23 (3) *Preschool facilities located at a schoolsite.*

24 SEC. 10. *Section 17072.40 is added to the Education Code, to*
25 *read:*

26 17072.40. *The Office of Public School Construction, in*
27 *consultation with the department, shall recommend to the board*
28 *regulations that will provide school districts with flexibility in*
29 *designing instructional facilities.*

30 SEC. 11. *Section 17073.16 is added to the Education Code, to*
31 *read:*

32 17073.16. *The board may require each school district that*
33 *elects to participate in the modernization program funded by the*
34 *proceeds of any bond approved by voters after January 1, 2016,*
35 *to reestablish baseline eligibility for each schoolsite pursuant to*
36 *regulations adopted by the board.*

37 SEC. 12. *Section 17074.16 of the Education Code is amended*
38 *to read:*

39 17074.16. (a) *The board shall release disbursements to school*
40 *districts with approved applications for modernization, to the extent*

1 state funds are available for the state's 60-percent share, and the
2 school district has provided its 40-percent local match. Subject to
3 the availability of funds, the board shall apportion funds to an
4 eligible school district only upon the approval of the project by
5 the Department of General Services pursuant to the Field Act, as
6 defined in Section 17281, including, but not limited to, a project
7 that complies with the Field Act by complying with Section
8 17280.5, and evidence that the certification by the school district
9 that the required 40-percent matching funds from local sources
10 have been expended by the district for the project, or have been
11 deposited in the county fund or will be expended by the district
12 by the time of completion of the project, and evidence that the
13 district has entered into a binding contract for the completion of
14 that project. If state funds are insufficient to fund all qualifying
15 school districts, the board shall fund all qualifying school districts
16 in the order in which the application for funding was approved by
17 the board.

18 (b) This section shall apply only to an application that was filed
19 after April 29, 2002.

20 (c) *It is the intent of the Legislature to adjust the local match*
21 *requirements for a modernization grant based on a school district's*
22 *ability to raise local revenue, commencing with the proceeds from*
23 *any bond approved by voters after January 1, 2016.*

24 SEC. 13. Section 17074.25 of the Education Code is amended
25 to read:

26 17074.25. (a) A modernization apportionment may be used
27 for an improvement to extend the useful life of, or to enhance the
28 physical environment of, the school. The improvement may only
29 include the cost of design, engineering, testing, inspection, plan
30 checking, construction management, demolition, construction, the
31 replacement of portable classrooms, necessary utility costs, utility
32 connection and other fees, the purchase and installation of
33 air-conditioning equipment and insulation materials and related
34 costs, furniture and equipment, including telecommunication
35 equipment to increase school security, fire safety improvements,
36 playground safety improvements, the identification, assessment,
37 or abatement of hazardous asbestos, seismic safety improvements,
38 and the upgrading of electrical systems or the wiring or cabling of
39 classrooms in order to accommodate educational technology. A
40 modernization grant may not be used for costs associated with

1 acquisition and development of real property or for routine
2 maintenance and repair.

3 (b) A modernization apportionment may also be used for the
4 cost of designs and materials that promote the efficient use of
5 energy and water, the maximum use of natural lighting and indoor
6 air quality, the use of recycled materials and materials that emit a
7 minimum of toxic substances, the use of acoustics conducive to
8 teaching and learning, and other characteristics of
9 high-performance schools.

10 (c) *Commencing with proceeds from any bond approved by*
11 *voters after January 1, 2016, in addition to the purposes identified*
12 *in subdivisions (a) and (b), a modernization apportionment may*
13 *be used for any of the following:*

14 (1) *Rehabilitating existing career technical education facilities.*

15 (2) *Seismic retrofits.*

16 (3) *Rehabilitating an existing facility for use by a preschool*
17 *located at an existing schoolsite.*

18 (d) (1) *The Legislature finds and declares that the state has an*
19 *aging and deteriorating school facilities inventory and in certain*
20 *circumstances it would be prudent to replace those facilities rather*
21 *than to expend state and local modernization bond funds.*

22 (2) *The Office of Public School Construction shall provide to*
23 *the board recommendations on the value of allowing school*
24 *districts to replace existing facilities on existing schoolsites under*
25 *certain conditions.*

26 ~~SEC. 6.~~

27 *SEC. 14.* Section 17074.26 of the Education Code is amended
28 to read:

29 17074.26. The board shall adopt regulations to adjust the
30 per-pupil amounts set forth in Section 17074.10 for modernization
31 projects for school buildings that are 50 years old or older based
32 upon the higher costs associated with modernizing older buildings.

33 *SEC. 15. Part 70 (commencing with Section 101100) is added*
34 *to Division 14 of Title 3 of the Education Code, to read:*

1
2 *PART 70. KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION*
3 *FACILITIES BOND ACT OF ____*

4
5 *CHAPTER 1. GENERAL*
6

7 *101100. This part shall be known and may be cited as the*
8 *Kindergarten-University Public Education Facilities Bond Act of*
9 *____.*

10 *101101. The incorporation of, or reference to, any provision*
11 *of California statutory law in this part includes all acts amendatory*
12 *thereof and supplementary thereto.*

13 *101102. (a) Bonds in the total amount of ____ dollars (\$____),*
14 *not including the amount of any refunding bonds issued in*
15 *accordance with Sections 101130, 101139, and 101159, or so*
16 *much thereof as is necessary, may be issued and sold to provide*
17 *a fund to be used for carrying out the purposes expressed in this*
18 *part and to reimburse the General Obligation Bond Expense*
19 *Revolving Fund pursuant to Section 16724.5 of the Government*
20 *Code. The bonds, when sold, shall be and constitute a valid and*
21 *binding obligation of the State of California, and the full faith and*
22 *credit of the State of California is hereby pledged for the punctual*
23 *payment of the principal of, and interest on, the bonds as the*
24 *principal and interest become due and payable.*

25 *(b) Pursuant to this section, the Treasurer shall sell the bonds*
26 *authorized by the State School Building Finance Committee*
27 *established by Section 15909 or the Higher Education Facilities*
28 *Finance Committee established pursuant to Section 67353, as the*
29 *case may be, at any different times necessary to service*
30 *expenditures required by the apportionments.*

31
32 *CHAPTER 2. KINDERGARTEN THROUGH GRADE 12*
33

34 *Article 1. Kindergarten Through Grade 12 School Facilities*
35 *Program Provisions*
36

37 *101110. The proceeds of bonds issued and sold pursuant to*
38 *Article 2 (commencing with Section 101120) shall be deposited in*
39 *the ____ State School Facilities Fund established in the State*

Treasury under subdivision (e) of Section 17070.40 and shall be allocated by the State Allocation Board pursuant to this chapter.

101111. All moneys deposited in the ____ State School Facilities Fund for the purposes of this chapter shall be available to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), as set forth in Section 101112, to provide funds to repay any money advanced or loaned to the ____ State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

101112. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of ____ dollars (\$____) for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1.

(2) The amount of ____ dollars (\$____) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(3) The amount of ____ dollars (\$____) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1.

(b) School districts may use funds allocated pursuant to paragraph (3) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high-priority roof replacement projects.

1 (5) Any other modernization of facilities pursuant to Chapter
2 12.5 (commencing with Section 17070.10) of Part 10 of Division
3 1 of Title 1.

4 (c) Funds allocated pursuant to paragraph (1) of subdivision
5 (a) may also be utilized to provide new construction grants for
6 eligible applicant county boards of education under Chapter 12.5
7 (commencing with Section 17070.10) of Part 10 of Division 1 of
8 Title 1 for funding classrooms for severely handicapped pupils,
9 or for funding classrooms for county community school pupils.

10
11 Article 2. Kindergarten Through Grade 12 School Facilities
12 Fiscal Provisions

13
14 101120. (a) Of the total amount of bonds authorized to be
15 issued and sold pursuant to Chapter 1 (commencing with Section
16 101000), bonds in the amount of ____ dollars (\$____) not
17 including the amount of any refunding bonds issued in accordance
18 with Section 101130, or so much thereof as is necessary, may be
19 issued and sold to provide a fund to be used for carrying out the
20 purposes expressed in this chapter and to reimburse the General
21 Obligation Bond Expense Revolving Fund pursuant to Section
22 16724.5 of the Government Code. The bonds, when sold, shall be
23 and constitute a valid and binding obligation of the State of
24 California, and the full faith and credit of the State of California
25 is hereby pledged for the punctual payment of the principal of,
26 and interest on, the bonds as the principal and interest become
27 due and payable.

28 (b) Pursuant to this section, the Treasurer shall sell the bonds
29 authorized by the State School Building Finance Committee
30 established pursuant to Section 15909 at any different times
31 necessary to service expenditures required by the apportionments.

32 101121. The State School Building Finance Committee,
33 established by Section 15909 and composed of the Governor, the
34 Controller, the Treasurer, the Director of Finance, and the
35 Superintendent, or their designated representatives, all of whom
36 shall serve thereon without compensation, and a majority of whom
37 shall constitute a quorum, is continued in existence for the purpose
38 of this chapter. The Treasurer shall serve as chairperson of the
39 committee. Two Members of the Senate appointed by the Senate
40 Committee on Rules, and two Members of the Assembly appointed

1 *by the Speaker of the Assembly, shall meet with and provide advice*
2 *to the committee to the extent that the advisory participation is not*
3 *incompatible with their respective positions as Members of the*
4 *Legislature. For the purposes of this chapter, the Members of the*
5 *Legislature shall constitute an interim investigating committee on*
6 *the subject of this chapter and, as that committee, shall have the*
7 *powers granted to, and duties imposed upon, those committees by*
8 *the Joint Rules of the Senate and the Assembly. The Director of*
9 *Finance shall provide assistance to the committee as it may*
10 *require. The Attorney General of the state is the legal adviser of*
11 *the committee.*

12 *101122. (a) The bonds authorized by this chapter shall be*
13 *prepared, executed, issued, sold, paid, and redeemed as provided*
14 *in the State General Obligation Bond Law (Chapter 4 (commencing*
15 *with Section 16720) of Part 3 of Division 4 of Title 2 of the*
16 *Government Code), and all of the provisions of that law, except*
17 *Section 16727 of the Government Code to the extent that it conflicts*
18 *with this part, apply to the bonds and to this chapter and are hereby*
19 *incorporated into this chapter as though set forth in full within*
20 *this chapter.*

21 *(b) For purposes of the State General Obligation Bond Law,*
22 *the State Allocation Board is designated the “board” for purposes*
23 *of administering the _____ State School Facilities Fund.*

24 *101123. (a) Upon request of the State Allocation Board, the*
25 *State School Building Finance Committee shall determine whether*
26 *or not it is necessary or desirable to issue bonds authorized*
27 *pursuant to this chapter in order to fund the apportionments and,*
28 *if so, the amount of bonds to be issued and sold. Successive issues*
29 *of bonds may be authorized and sold to fund those apportionments*
30 *progressively, and it is not necessary that all of the bonds*
31 *authorized to be issued be sold at any one time.*

32 *(b) A request of the State Allocation Board pursuant to*
33 *subdivision (a) shall be supported by a statement of the*
34 *apportionments made and to be made for the purposes described*
35 *in Sections 101111 and 101112.*

36 *101124. There shall be collected each year and in the same*
37 *manner and at the same time as other state revenue is collected,*
38 *in addition to the ordinary revenues of the state, a sum in an*
39 *amount required to pay the principal of, and interest on, the bonds*
40 *each year. It is the duty of all officers charged by law with any*

1 *duty in regard to the collection of the revenue to do and perform*
2 *each and every act that is necessary to collect that additional sum.*

3 *101125. Notwithstanding Section 13340 of the Government*
4 *Code, there is hereby appropriated from the General Fund in the*
5 *State Treasury, for the purposes of this chapter, an amount that*
6 *will equal the total of the following:*

7 *(a) The sum annually necessary to pay the principal of, and*
8 *interest on, bonds issued and sold pursuant to this chapter, as the*
9 *principal and interest become due and payable.*

10 *(b) The sum necessary to carry out Section 101128, appropriated*
11 *without regard to fiscal years.*

12 *101126. The State Allocation Board may request the Pooled*
13 *Money Investment Board to make a loan from the Pooled Money*
14 *Investment Account or any other approved form of interim*
15 *financing, in accordance with Section 16312 of the Government*
16 *Code, for the purpose of carrying out this chapter. The amount of*
17 *the request shall not exceed the amount of the unsold bonds that*
18 *the committee, by resolution, has authorized to be sold for the*
19 *purpose of carrying out this chapter. The board shall execute any*
20 *documents required by the Pooled Money Investment Board to*
21 *obtain and repay the loan. Any amounts loaned shall be deposited*
22 *in the fund to be allocated by the board in accordance with this*
23 *chapter.*

24 *101127. Notwithstanding any other provision of this chapter,*
25 *or of the State General Obligation Bond Law, if the Treasurer*
26 *sells bonds pursuant to this chapter that include a bond counsel*
27 *opinion to the effect that the interest on the bonds is excluded from*
28 *gross income for federal tax purposes, subject to designated*
29 *conditions, the Treasurer may maintain separate accounts for the*
30 *investment of bond proceeds and for the investment earnings on*
31 *those proceeds. The Treasurer may use or direct the use of those*
32 *proceeds or earnings to pay any rebate, penalty, or other payment*
33 *required under federal law or take any other action with respect*
34 *to the investment and use of those bond proceeds required or*
35 *desirable under federal law to maintain the tax-exempt status of*
36 *those bonds and to obtain any other advantage under federal law*
37 *on behalf of the funds of this state.*

38 *101128. For the purposes of carrying out this chapter, the*
39 *Director of Finance may authorize the withdrawal from the*
40 *General Fund of an amount not to exceed the amount of the unsold*

bonds that have been authorized by the State School Building Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the _____ State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

101129. All money deposited in the _____ State School Facilities Fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

101130. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

101131. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES

Article 1. General

101132. (a) The _____ California Community College Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of

1 *California pursuant to this chapter for the purpose of providing*
2 *funds to aid the California Community Colleges.*

3
4 *Article 2. California Community College Program Provisions*
5

6 *101133. (a) From the proceeds of bonds issued and sold*
7 *pursuant to Article 3 (commencing with Section 101134), the sum*
8 *of ____ dollars (\$____) shall be deposited in the ____ California*
9 *Community College Capital Outlay Bond Fund for the purposes*
10 *of this article. When appropriated, these funds shall be available*
11 *for expenditure for the purposes of this article.*

12 *(b) The purposes of this article include assisting in meeting the*
13 *capital outlay financing needs of the California Community*
14 *Colleges.*

15 *(c) Proceeds from the sale of bonds issued and sold for the*
16 *purposes of this article may be used to fund construction on*
17 *existing campuses, including the construction of buildings and the*
18 *acquisition of related fixtures, construction of facilities that may*
19 *be used by more than one segment of public higher education*
20 *(intersegmental), the renovation and reconstruction of facilities,*
21 *site acquisition, the equipping of new, renovated, or reconstructed*
22 *facilities, which equipment shall have an average useful life of 10*
23 *years; and to provide funds for the payment of preconstruction*
24 *costs, including, but not limited to, preliminary plans and working*
25 *drawings for facilities of the California Community Colleges.*

26
27 *Article 3. California Community College Fiscal Provisions*
28

29 *101134. (a) Of the total amount of bonds authorized to be*
30 *issued and sold pursuant to Chapter 1 (commencing with Section*
31 *101100), bonds in the total amount of ____ dollars (\$____), not*
32 *including the amount of any refunding bonds issued in accordance*
33 *with Section 101139, or so much thereof as is necessary, may be*
34 *issued and sold to provide a fund to be used for carrying out the*
35 *purposes expressed in this chapter and to reimburse the General*
36 *Obligation Bond Expense Revolving Fund pursuant to Section*
37 *16724.5 of the Government Code. The bonds, when sold, shall be*
38 *and constitute a valid and binding obligation of the State of*
39 *California, and the full faith and credit of the State of California*
40 *is hereby pledged for the punctual payment of the principal of,*

1 *and interest on, the bonds as the principal and interest become*
2 *due and payable.*

3 *(b) It is the intent of the Legislature that the California*
4 *Community Colleges annually consider, as part of their annual*
5 *capital outlay planning process, the inclusion of facilities that may*
6 *be used by more than one segment of public higher education*
7 *(intersegmental), and, that on or before May 15 of each year, those*
8 *entities report their findings to the budget committees of each*
9 *house of the Legislature.*

10 *(c) Pursuant to this section, the Treasurer shall sell the bonds*
11 *authorized by the Higher Education Facilities Finance Committee*
12 *established pursuant to Section 67353 at any different times*
13 *necessary to service expenditures required by the apportionments.*

14 *101134.5. (a) The bonds authorized by this chapter shall be*
15 *prepared, executed, issued, sold, paid, and redeemed as provided*
16 *in the State General Obligation Bond Law (Chapter 4 (commencing*
17 *with Section 16720) of Part 3 of Division 4 of Title 2 of the*
18 *Government Code), and all of the provisions of that law, except*
19 *Section 16727 of the Government Code to the extent that it conflicts*
20 *with this part, apply to the bonds and to this chapter and are hereby*
21 *incorporated into this chapter as though set forth in full within*
22 *this chapter.*

23 *(b) For the purposes of the State General Obligation Bond Law,*
24 *each state agency administering an appropriation of the _____*
25 *Community College Capital Outlay Bond Fund is designated as*
26 *the “board” for projects funded pursuant to this chapter.*

27 *(c) The proceeds of the bonds issued and sold pursuant to this*
28 *chapter shall be available for the purpose of funding aid to the*
29 *California Community Colleges for the construction on existing*
30 *or new campuses, and their respective off-campus centers and*
31 *joint use and intersegmental facilities, as set forth in this chapter.*

32 *101135. The Higher Education Facilities Finance Committee*
33 *established pursuant to Section 67353 shall authorize the issuance*
34 *of bonds under this chapter only to the extent necessary to fund*
35 *the apportionments for the purposes described in this chapter that*
36 *are expressly authorized by the Legislature in the annual Budget*
37 *Act. Pursuant to that legislative direction, the committee shall*
38 *determine whether or not it is necessary or desirable to issue bonds*
39 *authorized pursuant to this chapter in order to carry out the*
40 *purposes described in this chapter and, if so, the amount of bonds*

1 to be issued and sold. Successive issues of bonds may be authorized
2 and sold to carry out those actions progressively, and it is not
3 necessary that all of the bonds authorized to be issued be sold at
4 any one time.

5 101135.5. There shall be collected each year and in the same
6 manner and at the same time as other state revenue is collected,
7 in addition to the ordinary revenues of the state, a sum in an
8 amount required to pay the principal of, and interest on, the bonds
9 each year. It is the duty of all officers charged by law with any
10 duty in regard to the collection of the revenue to do and perform
11 each and every act which is necessary to collect that additional
12 sum.

13 101136. Notwithstanding Section 13340 of the Government
14 Code, there is hereby appropriated from the General Fund in the
15 State Treasury, for the purposes of this chapter, an amount that
16 will equal the total of the following:

17 (a) The sum annually necessary to pay the principal of, and
18 interest on, bonds issued and sold pursuant to this chapter, as the
19 principal and interest become due and payable.

20 (b) The sum necessary to carry out Section 101137.5,
21 appropriated without regard to fiscal years.

22 101136.5. The board, as defined in subdivision (b) of Section
23 101134.5, may request the Pooled Money Investment Board to
24 make a loan from the Pooled Money Investment Account or any
25 other approved form of interim financing, in accordance with
26 Section 16312 of the Government Code, for the purpose of carrying
27 out this chapter. The amount of the request shall not exceed the
28 amount of the unsold bonds that the committee, by resolution, has
29 authorized to be sold for the purpose of carrying out this chapter.
30 The board, as defined in subdivision (b) of Section 101134.5, shall
31 execute any documents required by the Pooled Money Investment
32 Board to obtain and repay the loan. Any amounts loaned shall be
33 deposited in the fund to be allocated by the board in accordance
34 with this chapter.

35 101137. Notwithstanding any other provision of this chapter,
36 or of the State General Obligation Bond Law, if the Treasurer
37 sells bonds pursuant to this chapter that include a bond counsel
38 opinion to the effect that the interest on the bonds is excluded from
39 gross income for federal tax purposes, subject to designated
40 conditions, the Treasurer may maintain separate accounts for the

1 investment of bond proceeds and for the investment earnings on
2 those proceeds. The Treasurer may use or direct the use of those
3 proceeds or earnings to pay any rebate, penalty, or other payment
4 required under federal law or take any other action with respect
5 to the investment and use of those bond proceeds required or
6 desirable under federal law to maintain the tax-exempt status of
7 those bonds and to obtain any other advantage under federal law
8 on behalf of the funds of this state.

9 101137.5. (a) For the purposes of carrying out this chapter,
10 the Director of Finance may authorize the withdrawal from the
11 General Fund of an amount not to exceed the amount of the unsold
12 bonds that have been authorized by the Higher Education Facilities
13 Finance Committee to be sold for the purpose of carrying out this
14 chapter. Any amounts withdrawn shall be deposited in the ____
15 California Community College Capital Outlay Bond Fund
16 consistent with this chapter. Any money made available under this
17 section shall be returned to the General Fund, plus an amount
18 equal to the interest that the money would have earned in the
19 Pooled Money Investment Account, from proceeds received from
20 the sale of bonds for the purpose of carrying out this chapter.

21 (b) Any request forwarded to the Legislature and the Department
22 of Finance for funds from this bond issue for expenditure for the
23 purposes described in this chapter by the California Community
24 Colleges shall be accompanied by the five-year capital outlay plan
25 that reflects the needs and priorities of the community college
26 system and is prioritized on a statewide basis. Requests shall
27 include a schedule that prioritizes the seismic retrofitting needed
28 to significantly reduce, in the judgment of the particular college,
29 seismic hazards in buildings identified as high priority by the
30 college.

31 101138. All money deposited in the ____ California Community
32 College Capital Outlay Bond Fund that is derived from premium
33 and accrued interest on bonds sold shall be reserved in the fund
34 and shall be available for transfer to the General Fund as a credit
35 to expenditures for bond interest.

36 101139. The bonds may be refunded in accordance with Article
37 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
38 Division 4 of Title 2 of the Government Code, which is a part of
39 the State General Obligation Bond Law. Approval by the voters
40 of the state for the issuance of the bonds described in this chapter

1 includes the approval of the issuance of any bonds issued to refund
2 any bonds originally issued under this chapter or any previously
3 issued refunding bonds.

4 101139.5. The Legislature hereby finds and declares that,
5 inasmuch as the proceeds from the sale of bonds authorized by
6 this chapter are not “proceeds of taxes” as that term is used in
7 Article XIII B of the California Constitution, the disbursement of
8 these proceeds is not subject to the limitations imposed by that
9 article.

10
11 CHAPTER 4. UNIVERSITY FACILITIES
12

13 Article 1. General
14

15 101140. (a) The system of public universities in this state
16 includes the University of California, the Hastings College of the
17 Law, and the California State University, and their respective
18 off-campus centers.

19 (b) The ____ University Capital Outlay Bond Fund is hereby
20 established in the State Treasury for deposit of funds from the
21 proceeds of bonds issued and sold for the purposes of this chapter.

22 (c) The Higher Education Facilities Finance Committee
23 established pursuant to Section 67353 is hereby authorized to
24 create a debt or debts, liability or liabilities, of the State of
25 California pursuant to this chapter for the purpose of providing
26 funds to aid the University of California, the Hastings College of
27 the Law, and the California State University.

28
29 Article 2. Program Provisions Applicable to the University of
30 California and the Hastings College of Law
31

32 101141. (a) From the proceeds of bonds issued and sold
33 pursuant to Article 4 (commencing with Section 101150), the sum
34 of ____ dollars (\$____) shall be deposited in the ____ University
35 Capital Outlay Bond Fund for the purposes of this article. When
36 appropriated, these funds shall be available for expenditure for
37 the purposes of this article.

38 (b) The purposes of this article include assisting in meeting the
39 capital outlay financing needs of the University of California and
40 the Hastings College of the Law.

1 (c) *Proceeds from the sale of bonds issued and sold for the*
2 *purposes of this article may be used to fund construction on*
3 *existing campuses, including the construction of buildings and the*
4 *acquisition of related fixtures, construction of facilities that may*
5 *be used by more than one segment of public higher education*
6 *(intersegmental), the renovation and reconstruction of facilities,*
7 *site acquisition, the equipping of new, renovated, or reconstructed*
8 *facilities, which equipment shall have an average useful life of 10*
9 *years; and to provide funds for the payment of preconstruction*
10 *costs, including, but not limited to, preliminary plans and working*
11 *drawings for facilities of the University of California and the*
12 *Hastings College of the Law.*

13
14 Article 3. *Program Provisions Applicable to the California*
15 *State University*
16

17 101142. (a) *From the proceeds of bonds issued and sold*
18 *pursuant to Article 4 (commencing with Section 101150), the sum*
19 *of ____ dollars (\$____) shall be deposited in the ____ University*
20 *Capital Outlay Bond Fund for the purposes of this article. When*
21 *appropriated, these funds shall be available for expenditure for*
22 *the purposes of this article.*

23 (b) *The purposes of this article include assisting in meeting the*
24 *capital outlay financing needs of the California State University.*

25 (c) *Proceeds from the sale of bonds issued and sold for the*
26 *purposes of this article may be used to fund construction on*
27 *existing campuses, including the construction of buildings and the*
28 *acquisition of related fixtures, construction of facilities that may*
29 *be used by more than one segment of public higher education*
30 *(intersegmental), the renovation and reconstruction of facilities,*
31 *site acquisition, the equipping of new, renovated, or reconstructed*
32 *facilities, which equipment shall have an average useful life of 10*
33 *years; and to provide funds for the payment of preconstruction*
34 *costs, including, but not limited to, preliminary plans and working*
35 *drawings for facilities of the California State University.*

36
37 Article 4. *University Fiscal Provisions*
38

39 101150. (a) *Of the total amount of bonds authorized to be*
40 *issued and sold pursuant to Chapter 1 (commencing with Section*

1 101100), bonds in the amount of ____ dollars (\$____), not
2 including the amount of any refunding bonds issued in accordance
3 with Section 101159, or so much thereof as is necessary, may be
4 issued and sold to provide a fund to be used for carrying out the
5 purposes expressed in this chapter and to reimburse the General
6 Obligation Bond Expense Revolving Fund pursuant to Section
7 16724.5 of the Government Code. The bonds, when sold, shall be
8 and constitute a valid and binding obligation of the State of
9 California, and the full faith and credit of the State of California
10 is hereby pledged for the punctual payment of the principal of,
11 and interest on, the bonds as the principal and interest become
12 due and payable.

13 (b) It is the intent of the Legislature that the University of
14 California and the California State University annually consider,
15 as part of their annual capital outlay planning process, the
16 inclusion of facilities that may be used by more than one segment
17 of public higher education (intersegmental), and, that on or before
18 May 15 of each year, those entities report their findings to the
19 budget committees of each house of the Legislature.

20 (c) Pursuant to this section, the Treasurer shall sell the bonds
21 authorized by the Higher Education Facilities Finance Committee
22 established pursuant to Section 67353 at any different times
23 necessary to service expenditures required by the apportionments.

24 101151. (a) The bonds authorized by this chapter shall be
25 prepared, executed, issued, sold, paid, and redeemed as provided
26 in the State General Obligation Bond Law (Chapter 4 (commencing
27 with Section 16720) of Part 3 of Division 4 of Title 2 of the
28 Government Code), and all of the provisions of that law, except
29 Section 16727 of the Government Code to the extent that it conflicts
30 with this part, apply to the bonds and to this chapter and are hereby
31 incorporated into this chapter as though set forth in full within
32 this chapter.

33 (b) For the purposes of the State General Obligation Bond Law,
34 each state agency administering an appropriation of the ____
35 University Capital Outlay Bond Fund is designated as the “board”
36 for projects funded pursuant to this chapter.

37 (c) The proceeds of the bonds issued and sold pursuant to this
38 chapter shall be available for the purpose of funding aid to the
39 University of California, the Hastings College of the Law, and the
40 California State University, for the construction on existing or

1 new campuses, and their respective off-campus centers and joint
2 use and intersegmental facilities, as set forth in this chapter.

3 101152. The Higher Education Facilities Finance Committee
4 established pursuant to Section 67353 shall authorize the issuance
5 of bonds under this chapter only to the extent necessary to fund
6 the apportionments for the purposes described in this chapter that
7 are expressly authorized by the Legislature in the annual Budget
8 Act. Pursuant to that legislative direction, the committee shall
9 determine whether or not it is necessary or desirable to issue bonds
10 authorized pursuant to this chapter in order to carry out the
11 purposes described in this chapter and, if so, the amount of bonds
12 to be issued and sold. Successive issues of bonds may be authorized
13 and sold to carry out those actions progressively, and it is not
14 necessary that all of the bonds authorized to be issued be sold at
15 any one time.

16 101153. There shall be collected each year and in the same
17 manner and at the same time as other state revenue is collected,
18 in addition to the ordinary revenues of the state, a sum in an
19 amount required to pay the principal of, and interest on, the bonds
20 each year. It is the duty of all officers charged by law with any
21 duty in regard to the collection of the revenue to do and perform
22 each and every act which is necessary to collect that additional
23 sum.

24 101154. Notwithstanding Section 13340 of the Government
25 Code, there is hereby appropriated from the General Fund in the
26 State Treasury, for the purposes of this chapter, an amount that
27 will equal the total of the following:

28 (a) The sum annually necessary to pay the principal of, and
29 interest on, bonds issued and sold pursuant to this chapter, as the
30 principal and interest become due and payable.

31 (b) The sum necessary to carry out Section 101157, appropriated
32 without regard to fiscal years.

33 101155. The board, as defined in subdivision (b) of Section
34 101151, may request the Pooled Money Investment Board to make
35 a loan from the Pooled Money Investment Account or any other
36 approved form of interim financing, in accordance with Section
37 16312 of the Government Code, for the purpose of carrying out
38 this chapter. The amount of the request shall not exceed the amount
39 of the unsold bonds that the committee, by resolution, has
40 authorized to be sold for the purpose of carrying out this chapter.

1 The board, as defined in subdivision (b) of Section 101151, shall
2 execute any documents required by the Pooled Money Investment
3 Board to obtain and repay the loan. Any amounts loaned shall be
4 deposited in the fund to be allocated by the board in accordance
5 with this chapter.

6 101156. Notwithstanding any other provision of this chapter,
7 or of the State General Obligation Bond Law, if the Treasurer
8 sells bonds pursuant to this chapter that include a bond counsel
9 opinion to the effect that the interest on the bonds is excluded from
10 gross income for federal tax purposes, subject to designated
11 conditions, the Treasurer may maintain separate accounts for the
12 investment of bond proceeds and for the investment earnings on
13 those proceeds. The Treasurer may use or direct the use of those
14 proceeds or earnings to pay any rebate, penalty, or other payment
15 required under federal law or take any other action with respect
16 to the investment and use of those bond proceeds required or
17 desirable under federal law to maintain the tax-exempt status of
18 those bonds and to obtain any other advantage under federal law
19 on behalf of the funds of this state.

20 101157. (a) For the purposes of carrying out this chapter, the
21 Director of Finance may authorize the withdrawal from the
22 General Fund of an amount not to exceed the amount of the unsold
23 bonds that have been authorized by the Higher Education Facilities
24 Finance Committee to be sold for the purpose of carrying out this
25 chapter. Any amounts withdrawn shall be deposited in the _____
26 University Capital Outlay Bond Fund consistent with this chapter.
27 Any money made available under this section shall be returned to
28 the General Fund, plus an amount equal to the interest that the
29 money would have earned in the Pooled Money Investment
30 Account, from proceeds received from the sale of bonds for the
31 purpose of carrying out this chapter.

32 (b) Any request forwarded to the Legislature and the Department
33 of Finance for funds from this bond issue for expenditure for the
34 purposes described in this chapter by the University of California,
35 the Hastings College of the Law, or the California State University
36 shall be accompanied by the five-year capital outlay plan. Requests
37 forwarded by a university or college shall include a schedule that
38 prioritizes the seismic retrofitting needed to significantly reduce,
39 in the judgment of the particular university or college, seismic

1 hazards in buildings identified as high priority by the university
2 or college.

3 101158. All money deposited in the ____ University Capital
4 Outlay Bond Fund that is derived from premium and accrued
5 interest on bonds sold shall be reserved in the fund and shall be
6 available for transfer to the General Fund as a credit to
7 expenditures for bond interest.

8 101159. The bonds may be refunded in accordance with Article
9 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
10 Division 4 of Title 2 of the Government Code, which is a part of
11 the State General Obligation Bond Law. Approval by the voters
12 of the state for the issuance of the bonds described in this chapter
13 includes the approval of the issuance of any bonds issued to refund
14 any bonds originally issued under this chapter or any previously
15 issued refunding bonds.

16 101160. The Legislature hereby finds and declares that,
17 inasmuch as the proceeds from the sale of bonds authorized by
18 this chapter are not “proceeds of taxes” as that term is used in
19 Article XIII B of the California Constitution, the disbursement of
20 these proceeds is not subject to the limitations imposed by that
21 article.

22 SEC. 16. The Secretary of State shall submit Section 15 of this
23 act to the voters at the ____ statewide general election.

24 SEC. 17. The provisions of this act are severable. If any
25 provision of this act or its application is held invalid, that invalidity
26 shall not affect other provisions or applications that can be given
27 effect without the invalid provision or application.

28 SEC. 18. Section 1 and Sections 3 to 15, inclusive, of this act
29 shall become operative only if the voters approve the
30 Kindergarten-University Public Education Facilities Bond Act of
31 ____, as set forth in Section 15 of this act.